

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representative	es Present During the Inspection:	
Company	Jay Marshall Resident Agent	
OGM	Pete Hess Environmental Scientist III	

Inspection Report

Permit Number:	C0070013
Inspection Type:	PARTIAL
Inspection Date:	Thursday, February 21, 2008
Start Date/Time:	2/21/2008 7:10:00 AM
End Date/Time:	2/21/2008 8:30:00 AM
Last Inspection:	Tuesday, February 12, 2008

Inspector: Pete Hess, Environmental Scientist III Weather: Cold, 20's F. Moderate freeze over night.

InspectionID Report Number: 1556

Accepted by: dhaddock

Permitee: UTAHAMERICAN ENERGY INC Operator: UTAHAMERICAN ENERGY INC

Site: HORSE CANYON MINE

Address: PO BOX 986, PRICE UT 84501

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Mineral Ownership

Types of Operations

5,992.07	Total Permitted	✓ Federal	✓ Underground
122.49	Total Disturbed	✓ State	Surface
61.65	Phase I	✓ County	☐ Loadout
	Phase II	✓ Fee	☐ Processing
	Phase III	☐ Other	Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Attempts to access the site over the last several days have been fruitless because of very soft road surface conditions. Workers had to chain up their vehicles to come out of the site on Thursday, February 14.

The trackhoe and D-6 dozer being used to develop the site were parked on the County road right-of-way. No activity was occurring this day.

Records for the Mine were reviewed on February 12, 2008.

Inspector's Signature:

Date

Thursday, February 21, 2008

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070013
Inspection Type: PARTIAL

Inspection Date: Thursday, February 21, 2008

Page 2 of 3

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcemen
1.	Permits, Change, Transfer, Renewal, Sale	~		✓	
2.	Signs and Markers	V			
3.	Topsoil	V		V	
4.a	Hydrologic Balance: Diversions	✓			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		V	
4.c	Hydrologic Balance: Other Sediment Control Measures				
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives				
6.	Disposal of Excess Spoil, Fills, Benches				
7.	Coal Mine Waste, Refuse Piles, Impoundments				
8.	Noncoal Waste	V			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V		V	
10.					
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control				
15.	Cessation of Operations				
16.a	Roads: Construction, Maintenance, Surfacing	V		V	
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other				

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Page 3 of 3

1. Permits, Change, Transfer, Renewal, Sale

The Permittee has recently completed the modeling for the increase in throughput for the Mine's air quality approval order. An increase in stockpile acreage has also been included. Revisions to Chapter 5, Engineering are pending.

3. Topsoil

The Permittee is still grubbing the site of vegetation. No topsoil recovery has occurred.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Construction of the proposed sediment pond has not been initiated.

4.d Hydrologic Balance: Water Monitoring

A lot of the snow covered surface at the development site has melted and soaked into the ground. There was no ice visible at the drainage channel / EC 126 crossings.

9. Protection of Fish, Wildlife and Related Environmental Issues

There was no visible or audible raptor activity at the development site while on location. The Division has notified the Permittee that the level of development activity must remain at the current level during the exclusionary period for eagles and the Rocky Mountain sheep. The Permittee is attempting to work through the concerns aired by the USFWS, the BLM and the Utah DWR with the Utah State Office of the BLM with hope that the construction activities at the site can continue..

16.a Roads: Construction, Maintenance, Surfacing

There is no construction activity occurring on the Emery County road #126. The road is rutted for most of its length to the site. Some snow exists along the road berms in several locations, but the road appears to be drying out, although very slowly. Attempts at access are still recommended for immediate post-daybreak.